

HOUSE BILL 781

By Casada

AN ACT to amend Tennessee Code Annotated, Section 49-13-124, relative to the administration of charter schools.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-13-124(a), is amended by deleting the subsection in its entirety and substituting instead the following:

(a) The governing body of a public charter school may sue and be sued. The governing body may not levy taxes or issue bonds except in accordance with state law. A public charter school may conduct activities necessary and appropriate to carry out its responsibilities such as:

- (1) Except as provided in subsection (b), contract for services with any person or entity;
- (2) Buy, sell, or lease property;
- (3) Borrow funds as needed; and
- (4) Pledge its assets as security; provided, however, that those assets are not leased or loaned by the state or local government.

SECTION 2. Tennessee Code Annotated, Section 49-13-124, is further amended by adding the following language as subsection (b) and redesignating the subsequent subsection accordingly:

(b) Public charter schools initially authorized after the effective date of this act may, with the approval of their chartering authority, contract with either a for-profit or not-for-profit education service provider for the comprehensive management or operation of the public charter school; provided, that the governing body retains administration

oversight over the school. Prior to approval of a contract for management or operation of a public charter school by a chartering authority, the governing body shall provide to the chartering authority:

(1) Evidence of the education service provider's record in successfully serving student populations similar to the school's targeted population, including demonstrated academic achievement, successful teacher recruitment and retention, commitment to student diversity, support of special education needs, and successful management of nonacademic school functions;

(2) A copy of the proposed contract, as well as a written summary setting forth the proposed duration of the service contract, roles and responsibilities of all parties, and the scope of services to be provided; and

(3) Assurances that no existing or potential conflicts of interest exist between the governing body and the proposed service provider, or any affiliated business entities;

SECTION 3. This act shall take effect July 1, 2015, the public welfare requiring it.